

Loftus Peak Global Change Portfolio

Monthly Investor Letter August 2015

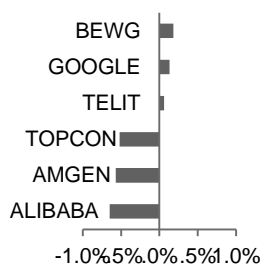
The Loftus Peak Global Change Portfolio posted a manager estimated return* of -5.5% for August 2015, compared with a return of -4.3% for the Fund's benchmark, the MSCI AC World Net Total Return Index in A\$

Performance

The portfolio manager estimated return gross* of fees was -5.5% which was -1.2% below the benchmark (MSCI AC World Net Total Return Index in Australian dollar terms). The benchmark returned -4.3% for the month.

Since 1 July 2014 inception, the portfolio is up +33.2%* gross of fees, outperforming the benchmark by +8.0%.

Portfolio Contributors/Detractors



August saw us give back a chunk of the stellar 2.66% outperformance of July, which was booked as the disruptors gained ground on more traditional companies during earnings season.

Markets have been spooked by international factors. The closer we get to a September rate rise in the US, the more markets have been unnerved, since it is a major shift from the conditions of the past five years during which many asset classes have boomed.

China too has been particularly difficult. We are not of the view that either the devaluation of the yuan or the sale of US\$ bonds by the Chinese government is significant, but taken in the broader context of the US rate rise and slow European growth it has caused problems.

We opened a small (2%) position in Beijing Water, an international water treatment company based in Beijing with solid growth prospects in waste water.

The worst performers for the month were Topcon, Amgen and Alibaba. Topcon, which provides advanced telemetry for construction and mining, was hit by the forced sale of its shares by Toshiba, which is embroiled in an accounting scandal.

Amgen has also been weaker following Novartis' launch of a cheaper chemotherapy generic. On balance, the market is neutral on the formalisation of the split of Google into a venture capital fund and the cashflow generative search business (including Android).

Currency continues to provide significant protection against the volatility, so that portfolio holders are still significantly better off than were they in Australian dollars - or worse still, the Australian market, which is down 622 points or -11.1% over the past year.

Portfolio Construction

Around 87% of the fund was invested in 24 companies which the manager identified as likely out-performers. The five largest positions for August 2015 were:

Company	% of Portfolio
APPLE	10.3%
GOOGLE	7.8%
AMAZON	6.5%
COMCAST	5.3%
ALIBABA	5.1%

Loftus Peak Pty Ltd: CAR Number 455284 of Eight Investment Partners Pty Ltd (AFSL Number 342305)

*Returns calculated by the manager based on portfolio valuations provided by Mason Stevens Limited before management and performance fees. The returns quoted in this monthly report may differ from the returns determined by Mason Stevens.